(b) whether it is a fact that the Arsikere-Mangalore uniform gauge would increase the much needed revenues for the Railways; and

(c) if so, what are the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI DIGVIJAY SINGH): (a) Yes, Sir.

(b) and (c) Gauge conversion of Arsikere-Hassan-Mangalore section is likely to attract additional traffic resulting in additional earnings for the Railways. However, a survey for the project has revealed that these earnings will not lead to a financial remunerative rate of return on the project.

Rakesh Mohan Committee Report

3920. SHRI S. RAMACHANDRAN PILLAI: Will the Minister of RAILWAYS be pleased to state:

(a) whether the report of Dr. Rakesh Mohan Committee, which was set up in early December, 1998 on financial restructuring of Indian Railways, has since been received;

(b) if not, by when it is likely to be received;

(c) whether the Committee has recently submitted an Interim Executive Summary of its proposed recommendations;

(d) if so, what are the details thereof; and

(e) what is Government's decision thereon?

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI DIGVIJAY SINGH): (a) to (e) The report of the Expert Group headed by Dr. Rakesh Mohan is yet to be received. However, an Interim Executive Summary has been received on 17.2.2001. The major recommendations of the Interim Executive Summary are:

1. Institutional separation of rules into policy, regulatory and management functions. This will mean:

    (i) Policy makers are limited for setting policy (and paying for what they ask for). The Government of India will be in charge of setting policy direction.

(ii) Provide operational autonomy and insulate Indian Railways by Corporatising it into "Indian Railways Corporation" (IRC). It would be governed by a reconstituted Indian Railways Executive Board.

(iii) Set up an Indian Rail Regulatory Authority to regulate IRC's activities as a monopoly supplier of rail services particularly related to tariff setting.

2. *Ex ante* acceptance and commitment by the Government and Indian Railways that Indian Railways will operate on commercial lines. Non-Commercial activities mandated by the Government will be clearly demonstrated and Indian Railways appropriately compensated for such activities.

3. In view of financial crisis Indian Railways to pursue the strategic High Growth pattern for financial recovery.

4. Provides exemption from taxation-excise, sales tax etc. for the period of transition, say 5 to 7 years.

5. Set up a Social Safety net to take care of surplus labour.

6. Restructuring of financial accounts of Indian Railways in accordance with the Company's Act, 1956.

7. Spinning off non-core activities.

8. Rebalancing of tariffs to eliminate cross subsidisation.

The Interim Executive Summary is under examination.

Expansion of Rail Network in Orissa

3921. SHRI ANANTA SETHI: Will the Minister of RAILWAYS be pleased to state:

(a) whether Government have any proposal to expand Railway Network in the mineral rich hinterland in Orissa;

(b) if so, the details of specific proposals under consideration; and

(c) the steps taken to implement them?